

the adverse health effects associated with the emissions of CO₂ and other pollutants. Specifically, ICF estimates that if the Projects are delivered on time they contribute²⁶:

- (a) Reduction in energy costs in Zone J by approximately \$700 million; and
- (b) Reduction in energy costs in Zone K by approximately \$300 million; and
- (c) Reduction in capacity costs in New York by \$1.5 billion; and
- (d) Reduction in emissions of carbon dioxide by 96 million tons, with a social cost to New Yorkers of approximately \$1.5 billion²⁷; and
- (e) Reduction in emissions of other harmful pollutants including sulfur dioxides, nitrous oxide and particulates.

Failure to achieve these mandated targets will impose direct costs on New York residents that can be avoided if the Commission takes the actions required for the Projects to move forward on their current schedules.

B. The Commission Should Take the Following Action to Address Cost Increases and Ensure Safe and Adequate Service at Just and Reasonable Rates

The Petitioners seek an order from this Commission authorizing an amendment to the OREC Agreements to return the Projects to levels sufficient to attract the approximately \$ [REDACTED] investment required for their construction²⁸. More specifically, the Petitioners request authorization for amendments to the OREC Agreements to incorporate each of the following mechanisms and changes:

- (a) Inflation adjustment mechanisms; and
- (b) Interconnection cost adjustment mechanisms; and

²⁶ Cumulative impact between 2027 and 2035 assuming a three-year delay in offshore wind capacity deployment equivalent to the combined capacity of EW1, EW2 and BW1.

²⁷ See ICF Report, Exhibit B.

²⁸ See Tier 1 Contract Modification Order at 10 (approving contract modification when “financing challenges are magnified by other exogenous factors generally outside the control of developers, including difficulties in siting, higher tariffs on component costs, and, most recently, the COVID-19 pandemic”).